

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

In re:

Chapter 11

SHEM OLAM LLC,

Case No: []

Debtor.

-----X

DECLARATION PURSUANT TO LOCAL RULE 1007-2

Rabbi Aryeh Zaks, hereby declares under penalty of perjury that the following statements are true and correct:

1. I am the present manager of Shem Olam LLC (“Shem Olam” or “Debtor”) and am fully familiar with the facts set forth herein.
2. I submit this declaration in accordance with Local Bankruptcy Rule 1007-2 in support of the Debtor’s filing of a voluntary petition under Chapter 11 of Title 11 of the United States Code (“Bankruptcy Code”).
3. The Debtor is the owner of the real property located at 82 Highview Road, Suffern, New York 10901 (“Property”). Yeshiva Chofetz Chaim Inc. (“YCC”) formerly owned the Property. In 2007, the mortgagee on the Property, TD Bank, N.A. (“TD Bank”), commenced an action against YCC seeking to foreclose TD Bank’s mortgage on the Property, which was then in default.
4. In that foreclosure action, TD Bank was eventually awarded a judgment of foreclosure and the foreclosure sale took place on August 20, 2013, in which TD Bank acquired title to the Property.

5. On September 18, 2017, TD Bank sold the Property to an entity known as Del Realty, LLC (“Del Realty”) for \$1,400,000. Del Realty was formed by my son Henoch to purchase the Property. My son Henoch Zaks worked with the representatives of the financing party for the purchaser Del Realty to have the Property transferred to 82 Highview LLC, which was formed by me on October 16, 2018 so that I could, if I wished, either use the site for YCC or form my own new yeshiva on the site of a new campus and (ultimately) student housing units.

6. On December 28, 2018, the Property was conveyed from Del Realty to 82 Highview LLC. At the time of the formation of 82 Highview, I was its sole founding member/manager. I designated YCC as the sole member of 82 Highview LLC for the first 30 months from the formation of 82 Highview LLC, and upon completion of the 30-month term, all rights, title and membership interests in 82 Highview LLC belonged to me as the forming managing member of 82 Highview LLC. (or to anyone else I designated)

7. On June 29, 2021, after I became the sole member and manager of 82 Highview LLC, I caused the Property to be transferred to Shem Olam.

8. There is currently a pending litigation in the Supreme Court of the State of New York, County of Rockland styled *Yeshiva Chofetz Chaim Inc. and 82 Highview LLC v. 82 Highview LLC, Shem Olam LLC, and Aryeh Zaks*, Index Number 036879/2021 (the “State Court Litigation”). In the State Court Litigation, plaintiffs sought declaratory relief regarding the Property and to set aside the deed conveying the Property to Shem Olam. On July 12, 2022, the State Court denied

the defendants' motion to dismiss the State Court Litigation. On July 25, 2022, the defendants appealed the State Court's decision.

9. An adverse ruling in the state court has the potential to impact the ability to refinance or sell the Property. Therefore, in order to preserve the value of the Property and to either refinance the Property or sell it to pay its debts, the Debtor sought the protection afforded under the Bankruptcy Code.

10. No pre-petition committee was organized prior to the Order for relief.

11. No property of the Debtor is in the possession and control of a receiver.

12. A summary of the Debtor's' assets and liabilities will be set forth on the Debtor's summary of schedules to be filed.

13. The names and addresses of the Debtor's twenty largest unsecured creditors, excluding insiders, is filed separately with the Debtor's Schedules and Statement of Financial Affairs.

14. All suits or proceedings in which the Debtors are named as a party will be listed in the Debtor's Statement of Financial Affairs to be filed.

15. The Property is currently improperly occupied by other entities who are assumedly paying for the operating expenses of the building. Thus, no budget is included with this declaration.

Dated: July 27, 2022

SHEM OLAM LLC

By: /s/ 
RABBI ARYEH ZAKS
MANAGER